

FOR MYSORE STATE

Public Works

(195⁴) Department.

MS. SERIES.

G.O. NO. 136.

136

Dated 12th January 1954

closed.

286
26/1/54.

[Despatch Abstract.]

electricity - Mangalore Electrical Undertaking - Accounts for
1950-51 -- Audit report - Recorded with remarks.

Tel: "ELECTRICITY"

ELECTRICITY DEPARTMENT

From
Sri K.V.Karantha, M.A., M.I.E.,
Chief Electrical Inspector to
Government., 157, Mount Road,
M a d r a s.2.

To
The Secretary to Government.
Public Works Department.,
Fort. St. George.,
Madras.9.

No. 168 A.O/52-3 dated 19-11-1953.

Sir,
Sub:: Mangalore Electric Licence - Accounts for 1950-51
Audited by the Audit Officer on behalf of Government
Remarks - Submitted.

I forward herewith a copy of the audited statement of
accounts of the Mangalore Electrical Undertaking for 1950-51 and
two copies of the audit report submitted by the Audit Officer.

2. The accounts have been scrutinised and the following
remarks are submitted.

3. The accounts under review relate to the 18th year of
operation.

4. The important features of working are as extracted
below:-

Name of item.	1949-50.	1950-51.
1. Total capital expenditure to the end of.	Rs. 13,57,198	Rs. 15,67,341
2. Total operation and maintenance expenditure.	3,97,967	5,76,388
3. Total expenditure against revenue	5,03,392	6,10,003
4. Revenue from electric supply only.	5,23,288	6,23,579
5. Total revenue from working.	5,71,412	6,76,470
6. Gross profit.	1,69,281	1,00,082
7. Net profit for the year.	68,020	56,467
8. Net profit from G.B/S.	50,253	50,628
9. Cost per unit generated in annas.	1.28 as.	1.52 as.
10. Working cost per unit generated in annas.	3.03 as.	3.09 as.
11. Working cost per unit sold in annas	3.58 as.	3.68 as.
12. Total units generated.	26,58,740	31,61,705
13. Total units sold.	22,51,026	26,48,892
14. Total number of consumers.	3254	3631
15. Maximum Demand.	757 KW	915 KW
16. Dividend declared on ordinary shares.	10% Tax Free.	10% Tax Free

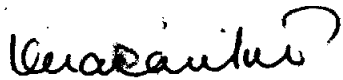
. As the audit of the accounts of the Bangalore Electric Licence for the years ending 31-3-1951 and 31-3-1952 was conducted at the same time, a consolidated bill covering both the years is sent separately, along with my remarks on the audit report on the accounts for the year ending 31-3-1952.

6. My remarks on the audit report are offered below:-

Paras 3, 13, 14(a), 19 A to 21 of the Audit Report.

I endorse the remarks of the Audit Officer.

Yours faithfully,


Chief Electrical Inspector to
Government 21.11.

Encl: 1 copy of Accounts.
2 copies of Audit Report.

AUDIT REPORT.

To
The Chief Electrical Inspector to Government.,
157, Mount Road, Madras.2.

Sir,

Sub:: Audit of accounts of the Mangalore
Electric Licence for the year ending
31-3-1951. - Audit conducted by the Audit
Officer Sri A.K.Ramiah appointed in G.O.
Ms. No. 950 PW dated 15-3-1949 with the
assistance of staff.

Place of audit: Resident Engineer's Office,
Mangalore, and Registered Office at
Calcutta.

Duration of Audit: 5th to 22nd November 1952
at Mangalore and 9th to 11th, 13, 14
and 18th February 1953 and 6-3-53
at Calcutta.

I have conducted a post audit of the accounts
Mangalore Electric Licence for the year ending
31st March 1951 and have to report as follows:

2. The statements of accounts have been
drawn up in accordance with the model form prescribed
in G.O. Ms. No. 537 PW dated 7-2-1951 subject to the
following remarks:-

Statement No. II. Capital Expenditure

General

The licensee adopts the following procedure
for capitalisation under "substation and line trans-
formers" and "Meters and Accessory Equipment". The
entire purchase of transformers and meters made during
a year is straightaway debited to Capital account and
so transformers and meters not actually brought into
beneficial use is included under capital expenditure.
The proper procedure would be to debit Capital Account
as and when they are brought into beneficial use and
till then accounting for them under Stores. The
licensee may be advised to discontinue this practice
and show under additions only transformers and meters
that have been brought into beneficial use.

Statement No. V. Depreciation.

4. For comment vide para 13 below.

Statement No. VI. Contingencies Reserve.

5. For comment vide para 8 below.

Statement No. VII. Tariff and Dividends

Control Reserve

6. For comment vide para 19A below.

Statement No. VIII. Net Revenue and Appropriation Account.

7. Taxes on Income and Profits: Rs. 280--2--6

This represents tax deducted at source from interest on securities and debentures.

8. Contribution towards Contingencies Reserve.

Rs. 4,444-11-11.

The contribution made during the year is within the limits prescribed in Para IV (1) of the Sixth Schedule to the Electricity Supply Act, -1948.

9. Instalment of contribution towards arrears of

depreciation - Rs. 5,117/-

For comments vide Para 13 below.

10. Interest on loans and advances. Rs. 6,768--7--0.

Details:-

Interest on overdraft with the Imperial Bank of India. Rs. 664--9--0

Interest on Loan advanced by the Managing Agents. 6,103-14--0.
(outstanding on 31-3-51 Rs. 1,45,000/-)

Rs. 6,768--7--0

11. Reserve for Taxation - Rs. 15,000/-

The tax liability of the licensee as per the Income-tax Assessment Order is Rs. 5,495--8--0.

12. Special Reserve Fund Account Rs. 1,00,000--0--0.

This amount has been set apart from the profits of the accounting year 1949-50.

Electricity (Supply) Act, 1948.

13. Depreciation and Arrears of Depreciation.

The depreciation provided by the licensee on assets for the year is Rs. 42,313/- and the instalment on account of arrears of depreciation is Rs. 5,117/-. The period of life adopted by the licensee for assets which are not in accordance with the period prescribed in G.O. Ms. No. 2787 dated 4-7-51 are indicated below:

	Period adopted.	Period prescribed.
House Services.	25 years.	15 years.
Public Lamps.	25 years.	15 years.

As the period of life in regard to the above assets have been fixed by Government only after the close of the accounting year the depreciation provided by the licensee

may be tentatively accepted,

X The period of life adopted by the licensee for the following assets, though correct, the annual depreciation provided on these assets differs from that arrived at in this office.

	Provided.	Depreciation as arrived at in this Office.
Buildings. - Residential.	Rs. 1,248/-	Rs. 1,492/-
Mains. - Underground.	661/-	671/-
Machinery.	12,548/-	14,059/-
Fixed tools.	302/-	333/-
Transformers.	283/-	2,271/-
Meters and Electrical Instruments.	5,839/-	7,044/-
Motor Car.	649/-	667/-
Motor and Auxiliary gear		
on fire.	41/-	90/-

The licensee may be advised to re-examine the depreciation provided on the above assets. For the above reasons the depreciation provided may be tentatively accepted.

14. Managing Agents' Remuneration.

9/11/13 (c) p 15 below

(a) Office Allowance on Operating Expenditure.

Rs. 13,908/-

In calculating the office allowance on operating expenditure the licensee has taken into account the Directors' Remuneration of Rs. 1,536/- paid during the year. As this forms part of Management Expenses and should be excluded (vide Para XIII (3) of the Sixth Schedule), the licensee may be informed that the calculation of office allowance on directors' remuneration is not in order. The amount overdrawn works out to Rs. 77/- (5 per cent on Rs. 1,536/-).

9/11/13 (c) p 17 below

(b) Office allowance on Capital Expenditure.

Rs. 4,035/-

The amount drawn as remuneration is in

(c) Ordinary Remuneration Rs. 9,575/-

The remuneration drawn is in order.

15. Capital Base.

The capital base of the licensee is

Rs. 10,93,912/-

16. Reasonable Return.

5% on Rs. 10,93,912/-

Income from Investments.

9/11/13, p 15 below

17. Clear Profit.

Income.	Rs. 6,76,470--7--5
Less Income-tax provision - transfer.	2,444--0--0

	Rs. 6,74,026--7--5

<u>Expenditure.</u>	
Operating Expenses as per Statement No. IV.	Rs. 5,28,958--0--5
Depreciation.	42,313--0--0
Bad Debts written off.	43--4--0
Contribution to Contingencies Reserve.	4,444--11--41
Instalment on account of arrears of depreciation.	5,117--0--0
Interest on debentures.	6,875--0--0
-do- on loans and advances	6,768--7--0
-do- on Security deposit.	3,049--9--0
Debenture Trustees' Fees.	300--0--0

	Rs. 5,97,869--0--4
Income-tax (appropriation sufficient to pay the tax liability allowed)	5,495--8--0
Tax deducted at source.	280--2--6

	Rs. 6,03,644--10--10
Less Office allowance overdrawn as per Para No. 14(a) above	77--0--0

	6,03,567--10--10

The clear profit is Rs. 6,74,026--7--5 less Rs. 6,03,567--10--10	
	= Rs. 70,458--12--7.

18. As against a reasonable return of Rs. 55,817/- the ~~main~~ ~~pro~~ clear profit earned by the licensee is Rs. 70,458--12--7. The excess earnings over the reasonable return works out to Rs. 14,641--12--7 and the percentage of excess works out to 26.23 per cent.

19. According to Para II of the Sixth Schedule to the Electricity Supply Act, 1948, the excess should be distributed as shown below.

At the disposal of the licensee.	
7½% of the reasonable return.	Rs. 4,186--4--5
Tariff and Dividends Control Reserve	5,227--12--1
Consumers' Fund.	5,227--12--1

	Rs. 14,641--12--7

The licensee has contributed to the Tariff and Dividends

Control Reserve and to the Consumers' Fund as indicated in Paras 19 A and 19 B below..

19.A. The contribution made by the licensee to the Tariffs and Dividends Control Reserve from the excess earnings of the year is Rs. 7,938/-. The actual contribution due as indicated in para 19 is Rs. 5,227-12--1.

19. B. The amount due to the Consumers' Fund on account of the excess earnings of the year is Rs. 5,227-12--1 while the contribution made by the licensee on account of the year is Rs. 7,939/-.

20. General.

In the Capital Base, statement, the licensee has included the contributions received from consumers upto the date the provisions of the Electricity Supply Act, 1948 came into force. Till the accounting year 1949-50 the licensee has been exhibiting in the Capital Account only the cost of service lines borne by the licensee. During the year under review the licensee has exhibited in the Capital Statement No. II under Service Connections, the contributions received from consumers from the commencement of the licence. The reason furnished by the licensee for the inclusion of the consumers' contribution from the commencement of the licence has been furnished to Government in letter No. 7029 Accts/50-25 dated 18-12-1952. Subject to the decision of the Government the Capital Base statement as furnished by the licensee is accepted.

21. The street lighting agreement entered into with the Mangalore Municipality expired on 6-7-1945 and has not been renewed yet. The licensee may be advised to take necessary steps for renewal.

Yours faithfully,


AUDIT OFFICER.

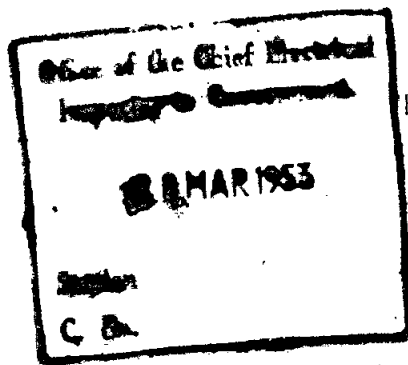
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WORKING SHEET FOR SCHEDULE VI OF THE ELECTRICITY (SUPPLY) ACT, 1948.

For the twelve months ending 31st March 19 51.

A—CAPITAL BASE (CLAUSE) XVII—1):

1. Original cost of Fixed Assets	Rs. 15,60,735
2. Less Contributions made by consumers towards the cost of Construction of service lines constructed after the date of enforcement of the Act	72,066
3. Cost of Intangible Assets	Rs. 14,88,669
4. Original Cost of Works-in-progress	"
5. Investments made compulsorily or from contributions towards Depreciation	"
6. Working Capital :	
(a) Average Cost of Stores, etc., as per Annexure—item C3	Rs. 1,56,058
(b) Average amount of Cash and Bank balances and call and short-term deposits subject to a maximum of 25% of item 17 below excluding its sub-items (i), (iv) and (x)—per Annexure—item C4	" 61,419 " 2,17,477
7. Total (items 1 to 6)	Rs. 17,06,146
8. Less—Depreciation accrued on Fixed Assets	Rs. 6,12,234
9. Intangible Assets written off	"
10. Loans advanced by the Board under First Schedule	"
11. Total (items 8 to 10)	" 6,12,234
12. CAPITAL BASE (item 7 less item 11)	Rs. 10,93,912



B—MANAGING AGENTS' REMUNERATION (CLAUSE XIII):

13. OFFICE ALLOWANCE :

Basis for calculation :

(a) Operating expenditure as in 17 below :	Rs.
(i) Distribution and sale of energy	" 55,672
(ii) Rents, rates and taxes	" 4,456
(iii) Interest on Security Deposits	" 3,050
(iv) Legal charges	" 1,248
(v) Bad Debts	" 43
(vi) Auditors' Fees	" 650
(vii) Other expenses accountable for income-tax purposes	" 1,45,268
(viii) Contributions to Provident Fund, etc.	" 7,773
(ix) Total (sub items i to viii)	Rs. 2,18,160
(b) Capital expenditure incurred during the year	Rs. 1,01,172
(c) Computation of Office Allowance :	
(i) 8% of the first Rs. 1 lakh of (a) above i.e. on Rs. 1,00,000 Rs. 8,000	Rs.
(ii) 5% of the next Rs. 2 lakhs of (a) above " " 1,18,160 " 5,908	"
(iii) 2½% of the next Rs. 7 lakhs of (a) above " " " " " "	"

Carried forward ... 2,18,160 Rs. 13,908 Rs.

Rs. **13,908** Rs.

(a) above i.e. on

Rs. _____ Rs. **13,908**

Rs. 4,000

35

2.

(b) above— " " " " " "

Rs. 4,035

Rs. 17,943

14. ORDINARY REMUNERATION :

Rs. **95,753** Rs.

—on _____?

Rs. _____

9,575 Rs. 9,575

Rs 27,518

Rs 27,518

C-CLEAR PROFIT (CLAUSE XVII-2):

16 INCOME FROM :

Rs. 6,23,579

30,921

14,330

”

" 6

1,121

4.071

Rs. 6,74,028

17. OPERATING EXPENDITURE INCURRED ON :

Rs. 3,00,315

55,672

4,456

11

3,050

1.248

43

650

27,518

„ 42.313

„ 1,45,268

" ~~7-772~~

Rs. 5,88,306 Rs. 6,74,028

	Brought over	Rs. 5,38,306	Rs. 6,74,02
18. SPECIAL APPROPRIATIONS :			
(i) Previous losses arising from the business of electricity supply	...	Rs.	
(ii) All taxes on income and profits	...	280	
(iii) Instalments of written down amounts in respect of intangible assets and new capital issue expenses	...		
(iv) Contribution to Contingency Reserve (not less than $\frac{1}{4}\%$ and not more than $\frac{1}{2}\%$ of item A 1 subject to an overall accumulation of 5% of item A 1)	...	4,445	
(v) Contribution towards arrears of depreciation.	...	5,117	
(vi) Other special appropriations permitted by the Provincial Government	...		
(vii) Total appropriations (sub items i to vi)	...	Rs. 9,842	" 5,98,14

19. CLEAR PROFIT—Items [16—(17 + 18)]. Rs. 75,85

D—REASONABLE RETURN (CLAUSE XVII—9) :

20. Return on "Capital Base" as in 12 above @ 5% F.O.T. i.e. 5/100 x	...	10,93,912	Rs. 54,69
21. Income from investments other than those made from contribution to contingencies reserve	...		" 1,12
22. 0.5% on loans advanced by the Board under First Schedule i.e. on Rs.	...		" <u>55,81</u>
23. REASONABLE RETURN (items 20 to 22)...	...		Rs. <u>55,81</u>

E—TARIFF AND DIVIDEND CONTROL RESERVE :

24. Excess, if any, of clear profit over Reasonable Return (item 19 less item 23)	...		Rs. 20,06
25. $\frac{1}{4}$ of item 24 (subject to a maximum of 7 $\frac{1}{2}\%$ of Reasonable Return and other provisions of the Sixth Schedule)	...		" <u>4,18</u>
26. Balance (item 24 less item 25)	...		Rs. <u>15,87</u>
27. TARIFF AND DIVIDEND CONTROL RESERVE ($\frac{1}{4}$ of item 26)	...		Rs. <u>7,93</u>

F—BALANCE AVAILABLE FOR PROPORTIONATE REBATE TO CONSUMERS OR CARRY FORWARD :

28. Same as item 27	...		Rs. <u>7,93</u>
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G—SUM AVAILABLE FOR DISPOSAL BY UNDERTAKING :

29. Reasonable Return—item 23	...		Rs. 55,81
30. Amount as in item 25	...		" <u>4,1</u>
31. Maximum sum permitted by Act for disposal by undertaking (items 29 and 30) (If clear profit does not exceed Reasonable Return actual sum available is limited to clear profit—item 19).	...		Rs. <u>60</u>

ANNEXURE

Working Capital (vide Item No. 6 of the Working Sheet)

For the...12...months ending...31st March...19 52 51.

A. MONTHLY BOOK COST OF STORES, MATERIALS, SUPPLIES AND CASH AND BANK BALANCES AND CALL AND SHORT-TERM DEPOSITS:

	Stores	Tools Loose	Cash and Bank Balances, etc.
1. As at ...	Rs.	Rs.	Rs. 1,601 P. Ca
2. As at ...	"	"	" 14,929 Imp. I
3. As at ... General Stores	" 82,658	"	" 38,752 " Ca
4. As at ... Spare Gear	" 60,328	"	" 7,425 " Ma
5. As at ...	"	"	" 7,130 " C
6. As at ... Fuel Oil	" 6,739	"	" 7,130 R. B. Drg.
7. As at ...	"	"	"
8. As at ...	"	"	"
9. As at ...	"	"	"
10. As at ...	"	"	"
11. As at ...	"	"	"
12. As at ...	"	"	"
13. Totals (items 1 to 12 above)	Rs.	Rs.	Rs.
14. One-twelfth of the totals as in 13 above	Rs. 1,49,725	Rs. 6,333	Rs. 69,837

B. MAXIMUM LIMIT ALLOWED FOR CASH AND BANK BALANCES, ETC.:

1. Total operating expenditure as in Clause 17 (xiii) per Working Sheet	Rs. 5,88,306
2. Less—Generation and purchase of energy as in C17 (i)	Rs. 3,00,315
3. Interest on loans advanced by the Board under First Schedule as in. C17 (iv)	"
4. Depreciation as in C17 (x)	" —42,313—
5. Total deductions (items B-2 to 4)	" —3,42,628—
6. Balance of operating expenses (item B-1 minus B-5)	Rs. —2,45,678—
7. Maximum limit of 25% of item B-6 above	Rs. —61,419—

C. WORKING CAPITAL:

1. Average Book Cost of Stores as in A-14 above	Rs. 1,49,725
2. Average Book Cost of Tools as in A-14 above	" —6,333—
3. Total of items C1 and C2	Rs. 1,56,058
4. Average Cash and Bank Balances and Call and Short-Term Deposits as in A-14 or B-7 above	" —61,419—
5. Working Capital (items C3 and C4)	Rs. —2,17,477—

For and on behalf of
L. MANGALORE ELECTRIC SUPPLY CO. LTD.
OCTAVIUS STEEL & CO. LTD.
Director.
Managing Agents

SUMMARY OF TECHNICAL AND FINANCIAL

TECHNICAL.

1. Year of working.	...	18th year(6
2. Area of supply in square miles.	...	78.57 sq.mil. more than half Arabian Sea.
3. Approximate population in area of supply.	...	1,17,095
4. Installed capacity of Generating Plant.	...	
Steam	...	1284 K.W.
Oil	...	1284 K.W.
Hydro	...	-
Total	...	1284 K.W.
5. Maximum Demand on the system—kw.	...	915
6. kwh generated.	...	31,61,705
7. kwh used for Powers Station Auxiliaries.	...	1,07,297
8. kwh purchased from other agencies.	...	-
9. kwh available for sale (6—7 plus 8).	...	30,54,408
10. kwh sold.	...	26,48,892
11. Fuel.—	...	-
(a) (i) Coal consumed in tons.	...	-
(ii) Average calorific value per lb. of coal consumed.	...	-
(iii) Average cost of coal per ton.	...	
(b) (i) Oil consumed in tons.	...	915.79
(ii) Average calorific value per lb. of oil consumed.	...	Not availab
(iii) Average cost of oil per ton.	...	Rs.219-5-2.9
12. Total number of consumers.	...	3,631
13. Total connected load—kw.	...	4,189
14. Segregation of kwh sold—	...	
(i) Domestic or Residential:	...	
(a) Heat and power.	...	1,744
(b) Light and fans.	...	9,92,341
		<u>9,94,085</u>

B—FINANCIAL.

1.	Share Capital (Paid-up).	...	...	5,60,000- 0- 0
2.	Loan Capital (other than loans advanced by Electricity Board).	...	...	1,37,500- 0- 0
3.	Total Capital in use (1 plus 2).	...	...	6,97,500- 0- 0
4.	Total Capital Expenditure.	...	...	15,67,340-10- 5
5.	Capital Base (Vide Clause XVII—(1) of schedule Six of the Electricity (Supply) Act, 1948)			10,93,912- 0- 0
6.	Reasonable Return (Vide Clause XVII—(9) of Schedule Six of the Electricity (Supply) Act, 1948)	...	...	55,817- 0- 0
7.	Clear Profit (Vide Clause XVII—2).	...		75,880- 0- 0
8.	Actual sum permissible by the Electricity (Supply) Act, 1948 for distribution to Share and Debenture holders.	...	...	60,003- 0- 0
9.	Item (8) expressed as a % of item (3).	...		8.601
10.	Item (8) expressed as a % of item (4).	...		3.844
11.	Item (8) expressed as a % of item (5).	...		5.485
12.	Dividend declared for the year—	...		
	(a) On Ordinary Shares.	...		10% Rs.56,000/-
	(b) On Preference Shares.	...	...	-
13.	Market Price of Shares—	...	...	
	(a) Ordinary Shares.	...	...	-
	(b) Preference Shares.	...	...	-
14.	Operating expenses (vide statement IV).	...		5,28,958- 0- 5
15.	Depreciation set apart (vide statement V).	...		47,430- 0- 0
16.	Total operating cost including depreciation (14 plus 15).	...	...	5,76,388- 0- 5
17.	Cost per kwh sold (16 ÷ kwh sold).	...		3.481 annas
18.	Revenue per kwh (overall)	...	...	3.765

A—TECHNICAL.

B/forward. 9,94,085

(ii) Commercial:

(a) Heat and power. ... 35,262

(b) Light and fans. ... 3,44,379

(iii) Industrial Power:

(a) Low and medium voltage. ... 11,00,412

(b) High voltage. ... -

(iv) Public Lighting: ... 1,73,797

(v) Traction. ... -

(vi) Irrigation. ... 957

(vii) Public Water Works and Sewage Pumping. ... -

(viii) Supplies in bulk to Distributing Licensees. ... -

26,48,892

FINANCIAL.

19. Revenue per kwh sold—

(i) Domestic or Residential:				~~3.80 annas~~
(a) Heat and Power.	...	...	...	3.80 annas
(b) Light and fans.	...	...	...	5.33 "
(ii) Commercial:				
(a) Heat and Power.	...	...	...	3.41 "
(b) Light and fans.	...	...	...	4.24 "
(iii) Industrial Power:				
(a) Low and medium voltage.	...	...	...	2.48 "
(b) High voltage.	...	...	...	-
(iv) Public lighting.	...	...	...	2.068 "
(v) Traction.	...	...	...	-
(vi) Irrigation	...	...	...	2.307
(vii) Public Water Works and Sewage Pumping.	...	...	...	-
(viii) Supplies in bulk to Distributing Licensees.	...	...	...	-

For and on behalf of
THE MANGALORE DISTRICT
OCTAVIUS STEEL & CO. LTD.
Director
Mangalore District

(Applicable to Companies).

STATEMENT OF SHARE AND LOAN C

Description of Capital.	Balance at the beginning of the year.		
	Rs.	As.	Ps.
A—<u>SHARE CAPITAL.</u>			
<i>Authorised Capital.</i>			
1,00,000...Ordinary Shares of Rs. 10 each	10,00,000-	0-	0
.....% Pref. Shares of Rs.	"	...	...
<i>Issued Capital.</i>			
70,000.....Ordinary Shares of Rs.10 each.	7,00,000-	0-	0
.....% Pref. Shares of Rs.	"	...	...
<i>Subscribed Capital.</i>			
56,000.....Ordinary Shares of Rs.10 each.	5,60,000-	0-	0
.....% Pref. Shares of Rs.	"	...	...
<i>Called up Capital.</i>			
56,000.....Ordinary Shares of Rs.10 each.	5,60,000-	0-	0
.....% Pref. Shares of Rs.	"	...	...
Less calls in arrears.	...	...	...
<i>Paid up Capital.</i>			
Forfeited shares.	...	...	...
Calls in advance.	...	...	...
<i>Total share capital.</i>	5,60,075-	0-	0
B—<u>LOAN CAPITAL.</u>			
Loans from Provincial Electricity Board.			
Debentures.	1,37,500-	0-	0
Other secured loans.	-		
Loans and advances.	-		
<i>Total Loan Capital.</i>	1,37,500-	0-	0
C—<u>Other Capital.</u>			
Consumers contribution for service connections after the commencement of Electricity (Supply) Act 1948. Special items to be specified.			
<i>Total other capital.</i>			
<u>TOTAL CAPITAL RAISED AND APPROPRIATED.</u>	6,97,575-	0-	0

27

STATEMENT I.

THE MANGALORE
OCTAVIUS STEEL & CO.
[Signature]
Director
Managing Agents

STATEMENT OF CAPITAL EXPENDITURE

(1)				Balance at the beginning of the year. (2) Rs.
<u>A—Intangible Assets.</u>				
1.	Preliminary expenses.	...	...	...
2.	Cost of licence.	...	...	...
3.	Miscellaneous expenses.	...	...	...
	<u>Total Intangible Assets.</u>	...	...	...
<u>B—Hydraulic Power Plant.</u>				
1.	Land & Rights.	...	...	...
2.	Buildings and structures.	...	...	...
3.	Reservoirs, dams, waterways & pipe lines.	...	...	...
4.	Water Wheels, Generators & Accessory equipment.	...	...	...
5.	Miscellaneous power plant equipment.	...	...	...
6.	Other Civil Works.	...	...	...
	<u>Total Hydraulic Power Plant.</u>	...	...	...
<u>C—Steam Power Plant.</u>				
1.	Land & Rights.	...	...	...
2.	Buildings & Structures.	...	...	...
3.	Boiler Plant and Equipment.	...	...	...
4.	Engines, Turbines, Generators & Accessory equipment.	...	...	...
5.	Miscellaneous Power Plant equipment.	...	...	...
6.	Other Civil Works.	...	...	...
	<u>Total Steam Power Plant.</u>	...	...	...
<u>D—Oil or Gas Power Plant.</u>				
1.	Land & Rights.	...	...	11,289- 6- 6
2.	Buildings & Structures.	...	...	71,709- 7- 0
3.	Engines, Generators & Accessory equipment.	...	...	4,73,295-12- 7
4.	Miscellaneous Power Plant equipment.	...	...	<u>1,036- 3- 0</u>
	<u>Total Oil or Gas Power Plant.</u>			<u>5,57,330-13- 1</u>

STATEMENT OF CAPITAL EXPENDITURE

(1)					Balance at the beginning of the year. (2) Rs.
<u>E—Transmission Plant (Extra High Voltage).</u>					
1.	Land & Rights.	...	...	...	--
2.	Buildings & Structures.	...	...	...	--
3.	Station equipment.	...	...	...	--
4.	Towers, Poles & Fixtures.	...	...	...	--
5.	Overhead conductors & Devices.	...	...	...	--
6.	Underground cables & devices.	...	...	...	--
	<u>Total Transmission Plant (E.H.V.).</u>	...	...	...	
<u>F—Distribution Plant—High Voltage.</u>					
1.	Land & Rights.	...	...	...	--
2.	Sub-station equipment.	...	...	...	88,358-10-11
3.	Line Transformers.	...	...	...	
4.	Towers, Poles & Fixtures.	...	...	...	98,112- 0- 0
5.	Overhead conductors & devices.	...	...	...	
6.	Underground cables & devices	...	...	...	3,564- 0- 0
7.	Service connections.	...	...	...	--
8.	Meters & accessory equipment.	...	...	...	--
	<u>Total Distribution Plant (H. V.).</u>	...	...	...	<u>1,90,034-10-11</u>
<u>G—Distribution Plant—Medium and Low Voltage.</u>					
1.	Land & Rights.	...	...	...	--
2.	Poles and Fixtures.	...	...	...	
3.	Overhead conductors & devices.	...	...	...	2,51,942- 1- 4
4.	Underground cables & devices.	...	...	...	26,259- 5- 2
5.	Service connections.	...	...	...	1,67,889-14- 5
6.	Meters & accessory equipment.	...	...	...	<u>1,32,588- 1- 2</u>
	<u>Total Distribution Plant (M. & L. V.).</u>				<u>5,78,679- 6- 1</u>
<u>H—Public Lighting.</u>					
1.	Street & Signal lighting systems.	...	...	...	20,300-13- 4

OR THE YEAR ENDED.....31-3-51..

21
STATEMENT II

Additions during the year. (3) Rs.	Retirements during the year. (4) Rs.	Balance at the end of the year. (5) Rs.	Ret. (6)
Nil	--		
	--		
	--		
	--		
	--		
	--		
--	--		
12,999- 5-11	--	1,11,358- 0-10	
15,978- 4- 3	--	1,14,090- 4- 3	
--	--	3,564- 0- 0	
--	--	--	
--	--	--	
28,977-10- 2`	--	2,19,012- 5- 1`	
--	--	--	
10,460-14-10	--	2,62,403- 0- 2	
--	--	26,259- 5- 2	
35,988- 3- 8	--	2,03,878- 2- 1	
17,884- 9- 6	--	1,50,472-10- 8	
64,333-12- 0`	--	6,43,013- 2- 1`	
274-13- 5	--	20,575-10- 9`	

Contd.

STATEMENT OF CAPITAL EXPENDITURE

(1)				Balance at the beginning of the year. (2) Rs.
<u>-General Equipment.</u>				
1.	Land & Rights.	...	...	--
2.	Buildings & Structures.	...	...	82,881- 0- 0
3.	Office Furniture & equipment.	...	...	3,842-12-
4.	Transportation equipment.	...	...	13,994- 4-
5.	Laboratory & meter testing equipment.	...	...	7,013- 7-
6.	Stores.	...	...	
7.	Tools & Work equipment.	...	...	14,135-14-
8.	Communication equipment.	...	...	--
9.	Miscellaneous equipment.	...	...	2,002-14-
<u>Total General Equipment.</u>				<u>1,23,870- 4-</u>
<u>TOTAL CAPITAL ASSETS.</u>				<u>14,70,215-15</u>

Note:—Capital cost figures against item Nos. F7 and G5 should include the contribution made by consumers towards service line charges.

FOR THE YEAR ENDED..... 31-3-51

33

STATEMENT II

Additions during the year. (3) Rs.	Retirements during the year. (4) Rs.	Balance at the end of the year. (5) Rs.	Remarks. (6)
--	--	--	
543- 4- 0	--	83,424- 4- 0	
314-12- 0	--	4,157- 8- 3	
5,248- 0- 0	4,522- 0- 0	14,720- 4- 6	
--	--	7,013- 7- 7	
474- 7- 0	--	14,610- 5- 1	
--	--	--	
--	--	2,002-14- 0	
6,580- 7- 0	4,522- 0- 0	1,26,928-11- 5	
1,01,646-10- 7	4,522- 0- 0	15,67,340-10- 5	

For and on behalf of
THE MANGALORE ELECTRIC SUPPLY CO. LTD.
OCTAVIUS STEEL & CO. LTD.

[Signature]
Director.
Managing Agents,

Examined and found correct
sub: 24/11/51
<i>[Signature]</i> Audit Officer.

A—Revenue by sale of electricity for.

1. Domestic or Residential:

(a) Lights and Fans.

(b) Small power.

2. Commercial:

(a) Lights and Fans.

(b) Small power.

3. Industrial:

(a) Medium & Low voltage.

(b) High voltage.

4. Public Lighting.

5. Traction.

6. Irrigation.

7. Public Water Works & Sewage Pumping.

8. Supplies in bulk to distributing licensees.

Total Receipts by Sale of Electricity.

THE YEAR ENDED.....31-3-51...

STATEMENT III. 25

or year.	Remarks.
	(3)

30,637-10- 4

409- 0- 0

11,440- 7- 3

7,689- 0- 6

70,789-14- 5

22,474-10- 0

138- 2- 0

3,578-12- 6

6,23,578-12- 6:

STATEMENT OF REVENUES F

Amo

(1)

B—Miscellaneous Revenue from Consumers

1. Sale of Stores.	...	...	...	...	
2. Rentals from:					
(a) Property.	...	...	...	...	58
(b) Meters.	...	...	...	...	30,575
(c) Electric Motors, fittings & appliances.				...	285
Other receipts (to be specified).	...	...	...	...	
(a) Maintenance Charges on public lamps					14,329-
~~(b) Contributions from consumers for House Services.~~					
(c) Special Contract					635-
(d) Fuse Renewals, connection & disconnection & other (Miscellaneous receipts)					<u>3,434-</u>
<u>Total Miscellaneous Revenue from consumers.</u>	...	...	...	...	

C—Other Revenue.

1. Interest on securities & investments.	...	...	...	1,120-1
2. Commission for the collection of electricity duty.			...	-
3. Miscellaneous items (to be specified).	...	...	...	
(a) Transfer fees				6-
~~(b) Provision for taxation no longer required~~				<u>2,444-</u>
<u>Total Other Revenue.</u>	...	...	...	

TOTAL ELECTRIC OPERATING REVENUES.

THE YEAR ENDED...31-3-51.....

STATEMENT III.

for year.	Remarks.
	(3)

B14. 623,578-12-6.

3- 0

1- 0

0- 0

- 0

- 7

- 0

49,320-13- 7

3,570- 4

6,76,470- 5

Examined and found correct
subject report, dated 24/5/51
Audit Officer.

For and on behalf of
MANGALORE ELECTRIC SUPPLY CO. LTD.
OCTAVIUS STEEL & CO. LTD.
Director,
Managing Agents,

A—Hydraulic Power Generation.(a) Operation.

1. Water for power.	...	...	...
2. Salaries for supervisory staff.	...	...	...
3. Salaries & Wages for labour.	...	...	...
4. Lubricants and other consumable stores.	...	...	...
5. Station supplies & Miscellaneous expenses.	...	...	...

<u>Total Operation.</u>	...	...	...
-------------------------	-----	-----	-----

(b) Maintenance.

1. Salaries for supervisory staff.	...	...	...
2. Reservoirs, dams, waterways & pipe lines.	...	...	...
3. Prime-Movers, Generators & accessory equipment.	...	...	...
4. Other Civil Works.	...	...	...

<u>Total Maintenance.</u>	...	...	...
---------------------------	-----	-----	-----

TOTAL HYDRAULIC POWER GENERATION EXPENSES.B—Steam Power Generation.(a) Operation.

1. Fuel.	...	...	...
2. Salaries for supervisory staff.	...	...	...
3. Salaries & wages for labour.	...	...	...
4. Lubricants & other consumable stores.	...	...	...
5. Water (if purchased separately).	...	...	...
6. Station supplies & miscellaneous expenses.	...	...	...

<u>Total Operation.</u>	...	...	...
-------------------------	-----	-----	-----

(b) Maintenance.

1. Salaries for supervisory staff.	...	...	...
2. Boilers, Furnaces, Steam pipes & accessory equipment.	...	...	...
3. Engines, Turbines, Generators & accessory equipment.	...	...	...

<u>Total Maintenance.</u>	...	...	...
---------------------------	-----	-----	-----

TOTAL STEAM POWER GENERATION EXPENSES.

C—Oil or Gas Power Generation.(a) Operation.

1. Fuel.	...	...
2. Salaries for supervisory staff.	...	...
3. Salaries & wages for labour.	...	...
4. Lubricants & other consumable stores.	...	...
5. Water (if purchased separately).	...	...
6. Station supplies & miscellaneous expenses.	...	...
<u>Total Operation.</u>	...	...

(b) Maintenance.

1. Salaries for supervisory staff.	...	...
2. Engines, generators & accessory equipment.	...	...
<u>Total Maintenance.</u>	...	...

TOTAL OIL OR GAS POWER GENERATION EXPENSES.D—Power purchased.

TOTAL PRODUCTION EXPENSES. (A + B + C + D)

Transmission (Extra High Voltage).

<u>Operation & Maintenance.</u>	...	...
1. Salaries for supervisory staff.	...	...
2. Salaries & wages for labour for stations.	...	...
3. Salaries & wages for labour for lines.	...	...
4. Supplies & miscellaneous expenses for stations.	...	...
5. Supplies & miscellaneous expenses for lines.	...	...
<u>Total Transmission expenses (E.H.V.).</u>	...	...

F. Distribution—High voltage.Operation & Maintenance.

1. Salaries for supervisory staff.	...	...
2. Salaries & wages for labour for stations.	...	...
3. Salaries & wages for labour for H.V. mains.	...	...
4. Supplies & miscellaneous expenses for stations	...	...
5. Supplies & miscellaneous expenses for mains.	...	...
<u>Total Distribution—(H.V.)—Expenses.</u>	...	...

STATEMENT IV Contd. *u/*

for year.	Remarks.
(i)	(s)

9,423- 4-10

3,312- 8- 0

26,593- 1- 4

1,349-12- 1

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642- 2- 7

1,320-12- 10

3,312- 8- 0

26,501-15- 1

29,814- 7- 1

1,135- 3-11

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1,160- 0- 0

3,111- 2- 6

4,080- 0- 0

584-12- 9

420- 0- 0

9,355-15- 3

G—Distribution—Medium and Low Voltage.Operation & Maintenance.

- | | | |
|---------------------------------------|-----|-----|
| 1. Salaries for supervisory staff. | ... | ... |
| 2. Salaries & wages for labour. | ... | ... |
| 3. Supplies & miscellaneous expenses. | ... | ... |

Total Distribution (M. & L.V.)—expenses.H—Public Lighting.Operation & Maintenance.

- | | | |
|---------------------|-----|-----|
| 1. Renewal of lamps | ... | ... |
|---------------------|-----|-----|

—Consumers' Services, accounts, Collection and Sales promotion.

- | | | |
|--|-----|-----|
| 1. Salaries for supervisory staff. | ... | ... |
| 2. Meter reading and inspection. | ... | ... |
| 3. Billing, Collecting and accounting. | ... | ... |
| 4. Exhibitions, Demonstrations and advertisements. | ... | ... |
| 5. Merchandising, servicing and contract work. | ... | ... |
| 6. Miscellaneous expenses. | ... | ... |

Total Consumers' Services etc. I—Rates and Taxes. J—General Establishment Charges.

- | | | |
|---|-----|-----|
| 1. Salaries of general officers & executives. | ... | ... |
| 2. Other general office salaries. | ... | ... |
| 3. Travelling & other expenses of officers and staff. | ... | ... |
| 4. Rents & Way leaves. | ... | ... |
| 5. General Office and show-room maintenance and supplies. | ... | ... |
| 6. Auditor's services. | ... | ... |
| 7. Legal services. | ... | ... |
| 8. Insurance. | ... | ... |
| 9. Contributions to Provident Fund & Staff Pensions. | ... | ... |
| 10. Other items (to be specified). | ... | ... |

Total General Establishment charges. K—Management expenses.

- | | | |
|--|-----|-----|
| 1. Directors' Remuneration. | ... | ... |
| 2. Directors' Travelling and other allowances. | ... | ... |
| 3. Managing Agents' ordinary remuneration. | ... | ... |
| 4. Managing Agents' office allowance. | ... | ... |

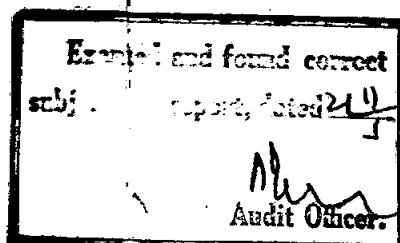
Total Management expenses. TOTAL OPERATING EXPENSES.

Remarks.

(3)

*(a) Electricity Duty	Rs. 44,046- 4- 7
(b) Stationery & Printing	" 4,101-14- 8
(c) Telephone	" 1,010- 4- 6
(d) General Charges	" 4,051-12- 1
(e) Postage & Telegrams	" 750- 13- 0
(f) Resident Engineer's Commission	" 5,748- 0- 0
(g) Staff Bonus	" 12,060- 0- 0
(h) Gratuity	" 720- 0- 0
(i) Expenses for valuation of assets	" 12,311- 2- 6
	<u>Rs. 84,800- 3- 4</u>

For and on behalf of
 THE MANGALORE ELECTRIC SUPPLY CO. LTD.
 OCTAVIUS STEEL & CO. LTD.
[Signature]
 Director,
 Managing Agents,



STATEMENT OF DEPRECIATION

DESCRIPTION OF ASSETS IN GROUPS AS PER STATEMENT I.					Balance brought forward from last account.
<u>" ARREARS OF DEPRECIATION " PAID *</u>					
A—Intangible Assets.	...	...	...	...	
B—Hydraulic Power Plant.	...	...	...	...	
C—Steam Power Plant.	...	...	...	...	
D—Oil or Gas Power Plant.	...	...	...	...	2,43,380-14- 9 '
E—Transmission Plant—Extra High Voltage.	...	...	...	...	
F—Distribution Plant—High Voltage.	...	...	...	...	81,944-12- 2 '
G—Distribution Plant—Medium & Low voltage.	...	...	...	...	1,81,633- 4- 9 '
H—Public Lighting ...	...	...	...	...	6,241- 0- 6 '
J—General Equipment.	...	...	...	...	62,254-12-10 '
<u>Total Depreciation.</u>	...	...	...	...	<u>5,75,454-13- 0 ' .</u>

* Balance of arrears of depreciation under the Electricity (Supply) Act, 1948 to be shown in Remarks column.

STATEMENT V.

FOR THE YEAR ENDED.....31-3-53.....

45

	Arrears of Depreciation paid during the year.	Withdrawals during the year.	Balance at the end of the year.	Remarks.
399-0-0'	705-0-0'		2,58,784-14- 9'	7,524-0-0
394-0-0'	1,221-0-0'		87,059-12- 2'	
153-0-0'	3,012-0-0'		2,05,098- 4- 9'	37,645-0-0
732-0-0'	179-0-0'		7,152- 0- 6'	1,999-0-0
535-0-0'		4,522-0-0'	60,267-12-10'	
313-0-0'	5,117-0-0'	4,522-0-0'	6,18,362-13- 0'	47,168-0-0.

For and on behalf of
THE MANGALORE ELECTRIC SUPPLY CO. LTD.
OCTAVIUS STEEL & CO. LTD.

[Signature]
Director,
Managing Agents,

[Signature]

Examined and found correct subject Report, dated 24/11/53 <i>[Signature]</i> Audit Officer.
--

STATEMENT OF CONTINGENCY

PARTICULARS.	Balance at the beginning of the year.
	Rs.
	3,555- 4- 1'

STATEMENT OF TARIFFS AND DIVIDENDS

PARTICULARS.	Balance at the beginning of the year.
	Rs.
	14,356- 0- 0'

STATEMENT VI

VE FOR THE YEAR ENDED 31-3-51

Appropriations during the year of account.	Withdrawals during the year of account.	Balance at the end of the year.	Remarks.
Rs.	Rs.	Rs.	

4,444-11-11 ' 8,000- 0- 0 '

For and on behalf of
THE MANGALORE ELECTRIC SUPPLY CO. LTD.
OCTAVIUS STEEL & CO. LTD.
Director,
Mangalore Agents,

STATEMENT VII.

ONTROL RESERVE FOR THE YEAR ENDED 31-3-51

Appropriations during the year of account.	Withdrawals during the year of account.	Balance at the end of the year.	Remarks.
Rs.	Rs.	Rs.	

938- 0- 0 ' 24,773- 0- 0 '
479- 0- 0 *
nce towards
ious year's dues.

For and on behalf of
THE MANGALORE ELECTRIC SUPPLY CO. LTD.
OCTAVIUS STEEL & CO. LTD.
Director,
Mangalore Agents,

Examined and found correct
subject report, dated 21/11/51
Audit Officer.

NET REVENUE & APPROPRIATIONS

Dr.

PARTICULARS.			Amount. Rs.
1.	To Balance from last account.	...	5,28,958-0-0
2.	To operating expenses as per Statement IV.	...	5,28,958-0-0
3.	To Depreciation as per Statement V.	...	42,313-0-0
4.	To Bad debts written-off.	...	43-4-0
5.	To Taxes on income and profits.	...	280-2-0
	5(a). Deferred Taxation		15,000-0-0
6.	To instalment of intangible assets written off	...	--
7.	To Contribution towards Contingency Reserve.	...	4,444-11-1
8.	To instalment of contribution towards arrears of depreciation.	...	5,117-0-0
9.	To interest paid and accrued on:	...	
	(a) Loans advanced by the Provincial Electricity Board.	...	--
	(b) Debentures.	...	6,875-0-0
	(c) Other secured loans.	...	--
	(d) Loans and advances.	...	6,768-7-0
	(e) Consumers' security deposits.	...	3,049-9-0
	Debenture Trustees' Fees		300-0-0
	Loss on realisation of investments		1,299-2-0
10.	To appropriation towards tariffs and dividends control reserve.	...	10,417-0-0
11.	To Rebate to Consumers.	...	10,417-0-0
12.	To dividend on Preference Shares.	...	--
13.	To dividend on Ordinary Shares.	...	56,000-0-0
14.	To General Reserve		1,00,000-0-0
15.	To balance carried over.	...	50,628-2-0
			<u>8,41,910-7-0</u>

STATEMENT VIII.

OUNT FOR THE YEAR ENDED 31-3-51.....

			Cr.
PARTICULARS.			Amount. Rs.
1.	By Balance from last account.	...	1,65,440- 0- 1
2.	By gross receipts as per Statement III.	...	6,76,470- 7- 5
3.	By Balance carried over.	...	--

GENERAL BALANCE SHEET

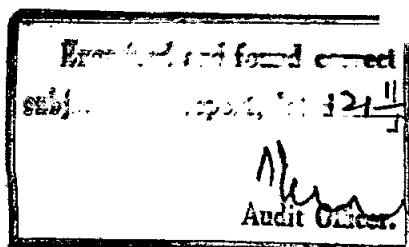
LIABILITIES AND CREDIT BALANCE.	Amount. Rs.
1. Capital paid and appropriated vide Statement I.	7,25,273- 1- 5
2. Creditors due on construction of plant, machinery etc.	--
3. Sundry creditors on open accounts. ...	1,25,485- 4- 7
4. Consumers' Security Deposits.	1,15,788-13- 0
5. Depreciation Reserve vide Statement V. ...	6,18,362-13- 0
6. Contingency Reserve vide Statement VI. ...	8,000- 0- 0
7. Tariffs and Dividends Control Reserve vide State- ment VII.	24,773- 0- 0
8. Rebate to consumers. { Balance brought forward ~~Less distributed~~ Rs. 14,356-0-0 Appropriated during the year ... <u>Rs. 10,417-0-0</u>	24,773- 0- 0
9. Accounts payable—to be specified. Reserve for Taxation Rs. 10,589-12-0 Reserve for Deferred Taxation <u>Rs. 15,000- 0-0</u>	25,589-12- 0
10. Other current and accrued liabilities to be specified. Unclaimed dividends 11,490- 0- 0 Loans unsecured 1,45,000- 0- 0 Interest on Security Deposits 3,066-10- 0	50,628- 2- 8
11. Balance of net revenue and appropriations account, vide Statement VIII. General Reserve	1,00,000- 0- 0
	<u>1,78,230- 8- 8</u>

AS ON...31-3-1951, 19

STATEMENT IX.

ASSETS AND DEBIT BALANCES.				Amount. Rs.
Capital amount expended on work Vide Statement II.	...	...	...	15,67,340-10- 5
Capital works in progress.	...	...	...	
Stores on hand	{ Coal, Fuel etc.	{	...	19,702- 7- 4
	{ General	{	...	1,41,987- 1- 2
Sundry debtors for amounts paid on account of contracts in course of completion....				--
Sundry debtors for electricity supplied.				61,243-14- 7
Other Debtors.	...	...	...	24,023-14-10
Securities at Cost.	...	...	...	8,750- 0- 0
Special deposits.	...	...	...	75,694- 0- 0
Accounts receivable to be specified. (Advance Payments)				3,659- 1- 4
Deferred payments. (Interest accrued on Investment)				212- 8- 0
Cash at Bank.	...	...	...	74,286-11- 9
Cash in hand	...	...	...	1,330- 3- 3
Balance of net revenue and appropriations account vide Statement VIII.			...	--
				<u>19,78,230- 8- 8</u>

for and on behalf of
BLORE ELECTRIC SUPPLY CO. LTD.
JUS STEEL & CO. LTD.
Director.
Managing Agents



G.O.Ms.No. 136 dated 12.1.54

Sub: Elec'y.--Mangalore Electrical Under
taking--Accounts for 1950-51--
Audit report--Recorded with remarks

Ref: From the C.E.I.G.Lr.No.168 A.O/
52-3 dated 19-11-53.

Recorded.

2. Paras 3,13, and 24 of the audit
report:

The licensee is requested to
note the remarks of the Audit Officer
and take action as indicated by him.

3. Para 14^(a) of the audit report:

In ~~calculating~~ office allowance
under para XII(2) of the Sixth ~~Schedule~~
~~Schedule to the Elec'y.(Supply) Act, 1948,~~
the licensee has taken into account the
Directors' remuneration of Rs. ¹⁵³⁶ ~~2,956~~/-
paid during the year. As the Directors'
remuneration forms part of management
expenses, this should not have been taken
into account for calculating office allo-
wance.

54
4. Para 20 of the audit report:

Orders will be issued separately.

To

1727
Ad 21-1/1/54
19/1/54
The Mangalore Electric Supply
Company Limited,
14, Old Court House Street,
Calcutta.

(With audit report)

The C.E.I.G.

28/1/54

Copy to Sec (P.W.D) with extracts

206
9/1/54
9/1/54

11-1-54

THE MANGALORE ELECTRIC SUPPLY CO., LTD.

Managing Agents:

POST BOX No. 55

OCTAVIUS STEEL & CO., LTD.

14, OLD COURT HOUSE STREET,

Calcutta 1, 6th April, 1954

GRAMS: "LAPIZANDO, CALCUTTA."

Phone No. City 1146 (2 Lines)

Ref. No. MAN. A/c. 12/5B



The Assistant Deputy Secretary
to the Government,
Public Works Department,
Government of Madras,
Madras.

Reg. Air Mail

Dear Sir,

Your G. O. Ms. No. 112, 136 dt 12.1.54
Audit Report on Accounts for
the year ended 31.3.51.

With reference to your order dated 11th January 1954,
we have to submit as follows:-

1206 (R) Paragraph 3 of the Report - Capital Expenditure.

We have taken steps as advised by you.

124506 (R) Paragraph 13 of the Report - Depreciation.

at 4/5
top
6/5
Please send us a copy of your G.O. Ms. 2787 dated 4-7-51 as we fail to trace this in our office. Kindly send us also a detailed statement showing calculation of your figures because we have not found any error in the figures shown by us.

1506 (R) Paragraph 14 of the Report - Managing Agents Remuneration.

We shall adjust Rs. 77/- against Managing Agents'

29 279/54
-2-

57

Commission in the Accounts for the year 1953-54, which are now being prepared.

Paragraph 21 of the Report - Street Lighting Agreement.

We are under correspondence with the Government of Madras for the purpose of adopting the Standard Model Form of Agreement introduced by the Government.

Yours faithfully,
OCTAVIUS STEEL & CO. LTD.

[Signature]

MANAGING DIRECTOR.
MANAGING AGENTS.

BLM

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21/4

Recd.

Dist. no. 29279P/54-1 dt. 19-4-54

Int. 3 ante Referred to the C&L for remarks.

[Signature] 22/4. *[Signature]* 17/4/54. *[Signature]* 19/4. 19.4.54

✓ to the C&L.
(with copy of
1/61-3 ante)

QD 20.5.54

Tel: "ELECTRICITY"

ELECTRICITY DEPARTMENT

59

From
Sri K.V.Karantha, M.A., M.I.E.,
Chief Electrical Inspector
to Government,
157, Mount Road, Madras.2.

To
The Secretary to Government,
Public Works Department,
Fort. St. George.,
Madras.9.

No. 168 A. O/52-4 dated 1-5-1954.

36219

Sir,

Sub:: Electricity - Mangalore Electric Licence - Accounts
for 1950-51 - Audit report - action taken by licen-
see - remarks.

Ref:: Public Works Department Endorsement No.29279 P/54-1
dated the 19th April 1954.

b3 autz

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The licensee's reply to paragraphs 3, 14 and 21 of the
audit report may be accepted subject to verification during
next audit.

✓ Regarding his reply to para 13 of the audit report, it is
stated that copies of G.O.Ms. No.2787 P.W. dated 4-7-51, were
sent by Government to all company licensees. A statement showing
details of calculation of depreciation in respect of the assets
of the undertaking referred to in paragraph 13 of the audit report

60

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21-9-44

is sent herewith in duplicate. One copy of this may be sent to the licensee.

Yours faithfully,

U. S. S. S.

Chief Electrical Inspector
to Government.

1528

Encl: Depreciation statement
in duplicate.

ns 27.4.

[Signature]

Transformers - (Period of Life: 35 years).

Opening Balance for the year 1950-51. Rs. 88,359/-

Depreciation to be provided for the year. Rs. 88,359 x 2.57%

Rs. 2270.8263

Office Working. Rs. 2271--0--0

Depreciation provided. Rs. 283--0--0

Difference. Rs. 1988--0--0

Meters and Electrical Instruments. Period of Life

prescribed in G.O.Ms. No.2787 P.W. dated 4-7-1951

Electrical Equipments - 15 years - Meters Period of

Life prescribed in the Table appended to the Seventh Schedule

of the Electricity Supply Act (1948) is 15 years.)

Opening Balance for the year 1950-51. Rs. 1,39,602--0--0

LESS 1935-36 Opening Balance. Rs. 22,204--0--0

Rs. 1,17,398--0--0

Depreciation to be provided for the year Rs. 1,17,398 x 6%

Rs. 7,043.88

Office Working. Rs. 7,044--0--0

Depreciation provided Rs. 5,839--0--0

Difference. Rs. 1,205--0--0

Motor Car (Period of Life prescribed in the Table appended
to the Seventh Schedule of the Electricity Supply
Act (1948) is 7 years).

Opening Balance for the year 1950-51. Rs. 13,994--0--0

LESS 1943-44 Opening Balance. 6,005--0--0

Rs. 5,189--0--0

Depreciation to be provided for the year Rs. 5189 x $\frac{90}{7}$ x $\frac{1}{100}$

Office working. Rs. 667--0--0

Depreciation provided. 649--0--0

Difference. 18--0--0

Sub:: Mangalore Electric Licence - Accounts for the year 1950
 Depreciation - Details of calculations.

- 0 -

1. Buildings - Residential (Period of Life : 50 years).

Opening Balance for the year 1950-51.	Rs. 82,881/-
Depreciation to be provided for the year	Rs. 82,881 x 1.8%
	= Rs. 1491.85
Office working.	Rs. 1492--0--0
Depreciation provided.	Rs. 1248--0--0

Difference.	Rs. 244--0--0

2. Mains - Underground. (Period of Life: 40 years).

Opening Balance for the year 1950-51.	Rs. 29,823/-
Depreciation to be provided for the year	Rs. 29,823 x 2.25%
	Rs. 671.0175
Office working.	Rs. 671--0--0
Depreciation provided.	Rs. 661--0--0

Difference.	Rs. 10--0--0

3. Machinery (Period of Life: 15 years).

Opening Balance for the year 1950-51.	Rs. 4,73,296
LESS 1935-36 Opening Balance.	2,38,978

	Rs. 2,34,318

Amount of depreciation to be provided for the year.	Rs. 2,34,318 x 6%
	Rs. 14059.08
Office working.	Rs. 14,059--0--0
Depreciation provided.	Rs. 12,548--0--0

Difference.	1,511--0--0

4- Fixed Tools. (Period of Life: 20 years).

Opening Balance for the year 1950-51.	Rs. 7407/-
Depreciation to be provided for the year.	Rs. 7407 x 4.5%
	Rs. 333.315
Office working.	Rs. 333--0--0
Depreciation provided.	Rs. 302--0--0

Difference.	Rs. 31--0--0

8. Motor and Auxiliary gear on hire. (Period of life 20 years).

Opening Balance for the year 1950-51 Rs. 2,003/-

Depreciation to be provided for the year Rs. 2,003 x 4.5%

90.135

Office Working. Rs. 90--0--0

Depreciation provided. Rs. 41--0--0

Difference. Rs. 49--0--0

C. R. Rameshman
11/5/54
/ Chief Electrical Inspector
to Government.

29279 P/su)

Letter No. 29279 P/su-2d/ 2u-5-54

To

The Mangalore Electric Supply Corpn. Ltd
Post Box No. 55,
14, Old Court House Street,
Calcutta 1.

Gentlemen,

Sub: Electricity - Mangalore Electric
Licence - Accounts for 1950-51 -
Audit report.

Ref: Your letter No. MAN.A/C 12/5 B
dated 6-4-1954.

I am directed to state that
your replies to the remarks on paragraphs
3 and 14 of the audit report on the
accounts of the Mangalore Electric Licence
for the year 1950-51, communicated in
G.O.Ms.No.136 PW dated 12-1-1954, have
been accepted subject to verification
during next audit. With reference to the
replies to paragraphs 13 and 21 of the
audit report, I am to state as follows:—

Paragraph 13 of the audit report.

A copy of G.O.Ms.No.2787 P.W.
dated 4-7-1951 and also of G.Os Ms.No.503
P.W. dated 11-2-52 and 4615 PW d/13-11-52
on the subject is enclosed.

A statement showing the details
of calculation of depreciation on various
assets as arrived at in the audit report
is also enclosed.

Paragraph 21 of the audit report.

The matter is under consideration
and orders will be issued in due course.

G-10

hpl-3 ef

hpl-1 p1 ef

hpl-3 su ef (R)

hpl-1 p1 ef

hpl-1 and 3 ef

hpl-21 ef (H)

hpl-21 ef (R)

hpl-21 ef (B)

hpl-21 ef

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G.O. 2224/100
under

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and orders will be issued in due course.

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Mr.
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De 2226/15
m/p

D.A.

Copy of GO at ~~max 19-21~~ of
pp.19-21 cf(H)) in to
G.O.at pp.9-10 cf(N)) most
G.O.at.5-6 cf.(B)) file

✓ Copy of pp. 7-9 c.f.

Copy to the C.E.I.G.
✓ w.r.to his No.168 AO/5
- 4 d/ 1-5-54

s/cs.

31 de
27/5/54

Note: Please see the c.f. With reference to
the licensee's reply to para 21 of the audit report,
it is submitted that the matter is under consideration
separately. The draft letter to the licensee
submitted above is for approval.

De 2226/15
m/p

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Mr.
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Letter No. 29279 P/54-2

Public Works Department,
Fort St. George, Madras,
Dated 24th May 1954.

From

Sri V. J. Vaidyanathan,
Assistant Secretary to Government

To

The Mangalore Electric Supply Corporation Ltd.,
Post Box No. 55,
14, Old Court House Street,
Calcutta 1.

Gentlemen,

Sub: Electricity - Mangalore Electric Licence - Accounts
for 1950-51 - Audit report.

Ref: Your letter No. MAH. A/c 12/5 B dated 6-4-1954.

I am directed to state that your replies to the remarks on paragraphs 3 and 14 of the audit report on the accounts of the Mangalore Electric Licence for the year 1950-51, communicated in G.O. Ms. No. 136 P.M. dated 12-1-1954, have been accepted subject to verification during next audit. With reference to the replies to paragraphs 13 and 21 of the audit report, I am to state as follows:--

Paragraph 13 of the audit report.

A copy of G.O. Ms. No. 2787 P.M. dated 4-7-1951 and also of G.O. Ms. No. 503 P.M. dated 11-2-1952 and 4615 P.M. dated 13-11-52 on the subject is enclosed.

A statement showing the details of calculation of depreciation on various assets as arrived at in the audit report is also enclosed.

Paragraph 21 of the audit report

The matter is under consideration and orders will be issued in due course.

Yours faithfully,

/24-5.
encl.

(V. J. Vaidyanathan)
Assistant Secretary to Government

Copy to the Chief Electrical Inspector to Government
with reference to his No. 168 AO/52-4 dated 1-5-54.

Forwarded / By Order

SUPERINTENDENT

Sub: Elec. -- Mangalore Electric licence -- Accounts
for 1950-51. -- Audit report.

pp 1-2 cf

Ref: From the C.E.I.G.Lr.No.168 A.O./52-3 dated
19-11-53.

Please see the audit report of the accounts
of the Mangalore Electrical Undertaking for 1950-51
on pp.3-7 c.f. and the C.E.I.G.'s remarks thereon
at pp.1-2 c.f. The following remarks are called for:-

p 3 cf

Para 3 of the audit report:

The Audit Officer has reported that the
entire value of the transformers and meters purchased
during the year is straightaway debited to capital
account by the licensee and that as a result trans-
formers and other assets not actually brought into
use have also been included under capital expenditure.
He has suggested that the licensee may be advised to
show these items under stores and debit their value
to the capital accounts as and when they are actually
brought into use. The licensee may be asked to note
the remarks of the Audit Officer and take action as
indicated by him.

pp 4-5 cf

Para 13 of the audit report:

The period of life adopted by the licensee
for certain assets while calculating depreciation
is not in accordance with the period prescribed for
these items in G.O.Ms.No.2787,P.W. dated 4-7-51.
Further the depreciation provided by the licensee
for certain assets differs from the amount arrived at
by the Audit officer for these assets. The licensee
may be asked to take action as indicated by the Audit
Officer.

not put up

X on p 5 cf

pp 4-5 cf

p 5 cf

Para 14 of the audit report:

According to para XIII (3) of the Sixth Sche-
dule to the Elec.(Supply)Act,1948, the office allo-

~~to be~~

allowance drawn by a managing agent shall be a percentage of the operating expenditure and the expenditure during the year on account of capital works. The operating expenditure defined for this purpose purpose excludes all expenses on account of ~~capital~~ works management including managing agents' remuneration. However in calculating office allowance on operating ~~expenditure~~ the licensee has taken into ~~acc~~ account the Directors' remuneration of Rs.1536/- paid during the year. As the Directors' remuneration forms part of management expenses, this should not have been taken into account for calculating office allowance. The licensee has overdrawn a sum of Rs.77/- as office allowance. He may be requested to note the remarks of the Audit Officer and take action as indicated by him.

Para 20 of the audit report:

According to para VII of the Sixth Schedule to the E lecy (Supply) Act, 1948, where contributions are made by consumers towards the cost of construction of service lines constructed after the date on which ~~Act~~ this Act comes into force, only the net cost of such service lines after deducting such contributions shall be included in the cost of fixed assets for the purpose of arriving at the ~~capital~~ capital base. The licensee has included in his capital assets the cost of all contributions made by consumers on account of service connections upto the date of coming into force of the E lecy.(Supply) Act, 1948 and the cost of service connections financed by consumers after this date only has been excluded by the licensee from his capital account. The licensee's argument is that the E lecy.(Supply) Act, makes provision only for service ~~in~~ lines constructed after the Act became applicable to him and ~~him and~~ by implication the cost of the remaining service

para 14, p 5e

—do—

p 7e f

service lines constructed prior to that date should be included in his capital assets.

As per WSR/10/10/54
de
It may be stated in this connection that with reference to the proposal for payment of compensation to the Madras Electric Supply Corporation Ltd., for acquisition of its Electrical undertaking, the question has arisen whether the service lines paid for by consumers really belong to the consumers or the Corporation. In that connection the company was informed that the Govt. did not propose to make any payment to it towards the cost of those service lines until the company had established its title to the said lines as against the consumers by decree obtained against the consumers in a representative suit. But the Company did not agree to the course suggested by the Govt. The Company has since filed a suit in the High Court for a declaration that the Company is entitled to be paid the value of these ~~service~~ service lines. The matter is pending in the Court. Whatever decree is given by the High Court in this regard will be equally applicable to the present case also. In view of this, no action is feasible on this question at present. It may be indicated in the draft order to be issued on the audit report that orders on this question will be issued separately. *Necessary extracts will be taken as a file started.*

Para 21 of the audit report:

The licensee may be asked to note the remarks of the Audit Officer and take action as indicated by him.

7 C.F.
No remarks regarding paras 19 A + B of the Audit report are necessary. A draft order is submitted for approval.

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8/11/54
9/11/54

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